



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

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August 25, 1997

**SENSITIVE**

John R. Bailey, Esquire  
Lionel Sawyer & Collins  
1700 Bank of America Plaza  
300 South Fourth Street  
Las Vegas, Nevada 89101

RE: MUR 4632  
Nevada State Republican Central  
Committee and Ronald F. Ryan, as  
Treasurer

Dear Mr. Bailey:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, on April 22, 1997, the Federal Election Commission found reason to believe that your clients, the Nevada State Republican Central Committee and Ronald F. Ryan, as treasurer, violated 2 U.S.C. §§ 432(a), 433(c), and 434(a)(4)(B), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that violations have occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Tracey L. Ligon, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

*Lawrence M. Noble* 9/3

Lawrence M. Noble  
General Counsel

Enclosure  
Brief

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of	)	
	)	MUR 4632
The Nevada State Republican Central Committee	)	
and Ronald F. Ryan, as Treasurer	)	

**GENERAL COUNSEL'S BRIEF**

**I.     STATEMENT OF THE CASE**

This matter was generated from information ascertained by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g (a) (2). The Commission found reason to believe that the respondents, the Nevada State Republican Central Committee and Ronald F. Ryan, as treasurer, violated 2 U.S.C. §§ 432(a), 433(c), and 434(a)(4)(B), and instituted an investigation into this matter. In this brief, the General Counsel sets forth the legal and factual issues in this matter, and provides a recommendation regarding whether there is probable cause to believe a violation has occurred. See 11 C.F.R. § 111.16(a).

**II.    THE LAW**

The Federal Election Campaign Act of 1971, as amended ("the Act"), requires that all political committees other than authorized committees of a candidate shall file either monthly or quarterly reports. In all calendar years, monthly reports shall be filed no later than the 20th day after the last day of the month and shall be complete as of the last day of the month, except that, in lieu of filing the reports otherwise due in November and December of any year in which a

regularly scheduled general election is held, a pre-general election report shall be filed no later than the 12th day before any election in which such candidate is seeking election, or nomination for election, and shall be complete as of the 20th day before such election; a post-general report shall be filed no later than the 30th day after any general election in which the candidate has sought election, and which shall be complete as of the 20th day after such general election; and a year end report shall be filed no later than January 31 of the following calendar year. 2 U.S.C. § 434 (a) (4) (B).

The Act requires that every political committee shall have a treasurer, and that no contribution or expenditure shall be accepted or made by or on behalf of a political committee during any period in which the office of treasurer is vacant. No expenditure shall be made for or on behalf of a political committee without the authorization of the treasurer or his or her designated agent. 2 U.S.C. § 432 (a).

The Act further states that any change in information previously submitted in a statement of organization shall be reported in accordance with section 432 (g) no later than 10 days after the date of the change. 2 U.S.C. § 433 (c).

### III. THE FACTS

The Nevada State Republican Central Committee ("the Committee") is a political committee that is not an authorized committee of a candidate. The Committee elected to file its reports with the Commission on a monthly basis.

During the 1995-96 election cycle, the respondents were required to file, inter alia, monthly reports no later than the 20th day after the last day of each month, and the 1995 Year-End report no later than January 31, 1996. The respondents failed to timely file the following

reports. The 1995 February Monthly report, which disclosed \$10,031 in receipts and \$19,260 in disbursements, was not filed until September 5, 1995, 197 days late. The 1995 March Monthly report, which disclosed \$14,219 in receipts and \$3,736 in disbursements, was not filed until November 20, 1995, 245 days late. The 1995 April Monthly report, which disclosed \$3,200 in receipts and \$9,910 in disbursements, was not filed until November 20, 1995, 214 days late. The 1995 May Monthly report, which disclosed \$3,665 in receipts and \$15,356 in disbursements, was not filed until November 20, 1995, 184 days late. The 1995 June Monthly report, which disclosed \$17,111 in receipts and \$6,613 in disbursements, was not filed until November 20, 1995, 153 days late. The 1995 July Monthly report, which disclosed \$25,205 in receipts and \$15,935 in disbursements, was not filed until November 20, 1995, 123 days late. The 1995 August Monthly report, which disclosed \$9,848 in receipts and \$13,141 in disbursements, was not filed until March 1, 1996, 194 days late. The 1995 September Monthly report, which disclosed \$67,406 in receipts and \$26,737 in disbursements, was not filed until April 1, 1996, 194 days late. The 1995 October Monthly report, which disclosed \$108,660 in receipts and \$79,136 in disbursements, was not filed until May 13, 1996, 206 days late. The 1995 November Monthly report, which disclosed \$136,900 in receipts and \$87,825 in disbursements, was not filed until May 28, 1996, 190 days late. The 1995 December Monthly report, which disclosed \$127,842 in receipts and \$101,673 in disbursements, was not filed until May 28, 1996, 160 days late. The 1995 Year End report, which disclosed \$8,812 in receipts and \$123,009 in disbursements, was not filed until June 6, 1996, 127 days late. The 1996 February Monthly report, which disclosed \$106,599 in receipts and \$56,943 in disbursements, was not filed until May 13, 1996, 83 days late. The 1996 March Monthly report, which disclosed \$44,820 in

receipts and \$44,784 in disbursements, was not filed until May 13, 1996, 54 days late. The 1996 April Monthly report, which disclosed \$40,750 in receipts and \$46,197 in disbursements, was not filed until May 13, 1996, 23 days late. In sum, these reports were filed between 23 and 245 calendar days late.

Prior notices were mailed to the Committee informing it of the due dates for filing each of the reports at issue. Following each of the due dates, separate non-filer notices for each of the reports, except for the 1996 April report, were mailed to the Committee stating it failed to file the reports at issue and advising it to file the reports immediately. Although the Committee was given prior notice of when to file reports, it continued to submit reports after their due dates.

As noted previously, pursuant to 2 U.S.C. § 432 (a), no contribution or expenditure shall be accepted or made by or on behalf of a political committee during any period in which the office of treasurer is vacant. Upon reviewing several disclosure reports, this Office discovered that the respondents received contributions and made expenditures during two separate time periods without having a treasurer in office. Specifically, the treasurer's position was vacant from April 17, 1995 through June 23, 1995. During that time, as the Committee's 1995 April, May and June disclosure reports indicate, the Committee continued to receive contributions and make expenditures without authorization of a treasurer. The treasurer's position was vacant again from August 7, 1995 through August 26, 1995, during which time the Committee again improperly received contributions and made disbursements.

In addition, the respondents failed to submit in a timely manner, i.e., no later than 10 days after the date of the change, an amended Statement of Organization reflecting that a change in the treasurer occurred. Specifically, on March 16, 1995, an analyst from the Commission's Reports

Analysis Division phoned Mr. Bob Beers, the Committee's then-treasurer of record, and spoke with his secretary, who informed the analyst that Mr. Beers had resigned as treasurer. In response, the analyst advised, inter alia, that the Committee should notify the Commission of the change in treasurer as soon as possible. The respondents notified the Commission of the resignation of Mr. Beers from the office of treasurer in a letter dated March 31, 1995, that was not received by the Commission until April 17, 1995. The Committee was required to report the change in the office of the treasurer no later than 10 days after the date of the change, which occurred on March 16, 1995, at the latest.

#### IV. ANALYSIS

Based on the foregoing legal and factual information, there is probable cause to believe that by failing to timely file the above-noted reports, and by accepting contributions and making expenditures during periods when the office of the treasurer was vacant, the respondents violated 2 U.S.C. §§ 432(a), 433(c), and 434(a)(4)(B).

The respondents neither materially dispute nor challenge the Commission's factual and legal analysis of this matter. Rather, the respondents acknowledge that during the time period in question, there was a lack of both communication and continuity between individuals who held the office of treasurer, and assert that their failure to comply with the Commission's reporting requirements was unintentional. The respondents further assert that they have taken both "extreme and expensive measures" to ensure that violations do not occur in the future.

The respondents bear complete responsibility for complying with the law, which entails facilitating communication and continuity between officers of the Committee or otherwise ensuring compliance with the law. Neither the fact that the respondents' violations may have

been unintentionally committed nor the fact that the respondents have taken measures to prevent future violations justifies or vitiates their violations of the law in the instant matter. Based on the foregoing, there is probable cause to believe that the Nevada State Republican Central Committee and Ronald F. Ryan, as treasurer, violated 2 U.S.C. §§ 432(a), 433(c), and 434(a)(4)(B).

V. GENERAL COUNSEL'S RECOMMENDATIONS

1. Find probable cause to believe that the Nevada State Republican Central Committee and Ronald F. Ryan, as treasurer, violated 2 U.S.C. § 432(a).
2. Find probable cause to believe that the Nevada State Republican Central Committee and Ronald F. Ryan, as treasurer, violated 2 U.S.C. § 433(c).
3. Find probable cause to believe that the Nevada State Republican Central Committee and Ronald F. Ryan, as treasurer, violated 2 U.S.C. § 434(a)(4)(B).

August 25, 1997  
Date

Lawrence M. Noble *LN*  
Lawrence M. Noble  
General Counsel